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HOUSE BILL 382

**48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008**

INTRODUCED BY

Gail Chasey

AN ACT

RELATING TO TAXATION; PROVIDING FOR AN INCOME TAX DEDUCTION FOR AMOUNTS PAID AS PREMIUMS FOR QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted to read:

"~~[NEW MATERIAL]~~ DEDUCTION--LONG-TERM CARE INSURANCE CONTRACT PREMIUMS.--

A. A taxpayer who is a resident of New Mexico, who files an individual New Mexico income tax return and who is not a dependent of another individual may claim a deduction from net income for amounts paid in the taxable year as premiums for qualified long-term care insurance contracts for the benefit of the taxpayer. The deduction may not be claimed for amounts

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1 that have been included in a claim for a deduction or credit  
2 pursuant to the Internal Revenue Code or pursuant to another  
3 provision of the Income Tax Act.

4 B. For the purposes of this section:

5 (1) "dependent" means "dependent" as defined  
6 by Section 152 of the Internal Revenue Code, as that section  
7 may be amended or renumbered; and

8 (2) "qualified long-term care insurance  
9 contract" means a qualified long-term care insurance contract  
10 as defined in Section 7702(B)(b) of the Internal Revenue Code.

11 C. A husband and wife who file separate returns for  
12 the taxable year in which they could have filed a joint return  
13 may each claim only one-half of the deduction that would have  
14 been allowed on the joint return."

15 Section 2. APPLICABILITY.--The provisions of this act  
16 apply to taxable years beginning on or after January 1, 2008.